

**ASSEMBLY BILL**

**No. 2053**

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**Introduced by Assembly Member Allen**

February 23, 2012

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An act to add Section 22896 to the Government Code, relating to postemployment health benefits.

LEGISLATIVE COUNSEL'S DIGEST

AB 2053, as introduced, Allen. Postemployment health benefits: the San Francisco Bay Area Rapid Transit District.

Existing law requires the Board of Administration of the Public Employees' Retirement System to administer the Public Employees' Medical and Hospital Care Act. Existing law permits a contracting agency to elect to be subject to the act for its employees and annuitants, provided that the contracting agency and each employee or annuitant contribute a portion of the cost of providing the benefit coverage afforded under the health benefit plan approved or maintained by the board in which the employee or annuitant may be enrolled.

This bill would authorize the San Francisco Bay Area Rapid Transit District to make contributions for postretirement health benefits for members of the district board of directors, the districts' unrepresented employees, and for any unit of employees whose terms and conditions of employment are determined through collective bargaining, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 22896 is added to the Government Code,  
2 to read:

3     22896. (a) For the purposes of this section, the term “district”  
4 shall mean the San Francisco Bay Area Rapid Transit District.

5     (b) Notwithstanding any other provision of this part, the district  
6 may make contributions for postretirement health benefits for  
7 members of the district board of directors, the districts’  
8 unrepresented employees, and for any unit of employees whose  
9 terms and conditions of employment are determined through  
10 collective bargaining. Those contributions shall be subject to the  
11 following:

12     (1) Credited years of service that the employee worked with the  
13 District.

14     (2) An agreement with all represented employees regarding  
15 postretirement health coverage mutually agreed upon through  
16 collective bargaining.

17     (3) Contributions for postretirement health benefits for the  
18 district’s unrepresented employees may only be made in accordance  
19 with the same eligibility criteria and schedule provided for in the  
20 agreement applicable to represented employees.

21     (c) An agreement reached pursuant to subdivision (b) shall not  
22 be valid if it provides an employer contribution for employees with  
23 less than 10 years of credited service with the district, except that  
24 the agreement may authorize employer contributions for  
25 postretirement health benefits for those employees who retire for  
26 disability with less than 10 years of service.

27     (d) An agreement reached pursuant to subdivision (b) shall not  
28 be valid unless it provides a full employer contribution for those  
29 employees who have completed 15 years of credited service with  
30 the district. The agreement may authorize full employer  
31 contributions for postretirement health benefits for those employees  
32 who retire for disability with less than 15 years of credited service  
33 with the district.

34     (e) (1) This section shall only apply to district employees who  
35 are first hired on or after July 1, 2013, or, if specified in an  
36 agreement, to district employees first hired on or after the date  
37 specified in the agreement.

1 (2) This section shall apply to employees whose terms and  
2 conditions of employment are determined through collective  
3 bargaining only if the agreement is expressly incorporated by  
4 reference into, or made a part of, a memorandum of understanding.

5 (f) This section is not applicable to any employee who retired  
6 before the effective date of the memorandum of understanding. In  
7 the event that the memorandum of understanding establishes a  
8 retroactive effective date, this section applies only prospectively  
9 and any employee who retires before the memorandum of  
10 understanding is signed may not be affected by it.

11 (g) The district shall provide, in the manner prescribed by the  
12 board, a notification of each agreement established pursuant to  
13 this section or personnel action incorporating or applying this  
14 section, and any additional information necessary to implement  
15 this section.